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10-05-00

PTO/SB/05 (08-00)
Approved for use through 10/31/2002. OMB 0651-0032
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UTILITY PATENT APPLICATION TRANSMITTAL
(Only for new nonprovisional applications under 37 C.F.R. § 1.53(b))

Attorney Docket No.	79540
First Inventor	Bernstein
Title	METHOD OF TRACKING TAXANLE EVENTS
Express Mail Label No.	EL6422289491US

APPLICATION ELEMENTS
See MPEP chapter 600 concerning utility patent application contents

ADDRESS TO: Assistant Commissioner for Patents
Box Patent Application
Washington, DC 20231

1. ☒ *Fee Transmittal Form (e.g. PTO/SB/17)*
   (Submit an original and a duplicate for fee processing)

2. ☒ Applicant claims small entity status.
   See 37 CFR 1.27.

3. ☒ Specification   Total Pages [14]
   (preferred arrangement set forth below)
   - Descriptive title of the Invention
   - Cross Reference to Related Applications
   - Statement Regarding Fed sponsored R & D
   - Reference to sequence listing, a table,
     or a computer program listing appendix
   - Background of the Invention
   - Brief Summary of the Invention
   - Brief Description of the Drawings *(if filed)*
   - Detailed Description
   - Claim(s)
   - Abstract of the Disclosure

4. ☒ Drawing(s) *(35 U.S.C. 113)*   Total Sheets [5]

5. Oath or Declaration   Total Pages [2]
   a. ☒ Newly executed (original or copy)
   b. ☐ Copy from a prior application (37 CFR 1.63(d))
      (for continuation/divisional with Box 17 completed)
      i. ☐ DELETION OF INVENTOR(S)
         Signed statement attached deleting inventor(s)
         named in the prior application, see 37 C.F.R.
         1.63(d)(2) and 1.33(b).

6. ☐ Application Data Sheet. See 37 CFR 1.76

7. ☐ CD-ROM or CD-R in duplicate, large table or Computer Program *(Appendix)*

8. Nucleotide and/or Amino Acid Sequence Submission *(if applicable, all necessary)*
   a. ☐ Computer Readable Form (CRF)
   b. Specification Sequence Listing on:
      i. ☐ CD-ROM or CD-R (2 copies); or
      ii. ☐ paper
   c. ☐ Statements verifying identity of above copies

ACCOMPANYING APPLICATION PARTS

9. ☐ Assignment Papers (cover sheet & document(s))

10. ☐ 37. C.F.R. § 3.73(b) Statement *(when there is an assignee)*   ☐ Power of Attorney

11. ☐ English Translation Document *(if applicable)*

12. ☐ Information Disclosure Statement (IDS) PTO-1449   ☐ Copies of IDS Citations

13. ☐ Preliminary Amendment

14. ☒ Return Receipt Postcard (MPEP 503) *(Should be specifically itemized)*

15. ☐ Certified Copy of Priority Document(s) *(if foreign priority is claimed)*

16. ☐ Other _____

17. **If a CONTINUING APPLICATION,** *check appropriate box, and supply the requisite information below and in a preliminary amendment, or in an Application Data Sheet under 37 CFR 1.76:*

☐ Continuation   ☐ Divisional   ☐ Continuation-In-Part (CIP)   Of prior application No.: _____ / _____ .

Prior application information: Examiner _____   Group/Art Unit: _____

FOR CONTINUATION OR DIVISIONAL APPS only: The entire disclosure of the prior application, from which an oath or declaration is supplied under Box 5b, is considered a part of the disclosure of the accompanying continuation or divisional application and is hereby incorporated by reference. The incorporation can only be relied upon when a portion has been inadvertently omitted from the submitted application parts.

18. CORRESPONDENCE ADDRESS

☐ Customer Number or Bar Code Label   *(Insert Customer No. or Attach bar code label here)*   or ☐ Correspondence address below

Name	Jon P. Christensen			
Address	WELSH & KATZ, LTD.			
	120 South Riverside Plaza, 22nd Floor			
City	Chicago	State	Illinois	Zip Code	60606
Country	USA	Telephone	(312) 655-1500	Fax	(312) 655-1501

Name *Print/Type)*	Jon P. Christensen	Registration No. *(Attorney/Agent)*	34,137
Signature		Date	October 4, 2000

PTO/SB/17 (12/99)
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FEE TRANSMITTAL
for FY 2000

Patent fees are subject to annual revision.
Small Entity payments must be supported by a small entity statement,
otherwise large entity fees must be paid. See Forms PTO/SB09-12. See
37 C.F.R. § 1.27 and 1.28

TOTAL AMOUNT OF PAYMENT	($) 418

Complete if Known

Application Number	not yet assigned
Filing Date	herewith
First Named Inventor	Bernstein
Examiner Name	not yet assigned
Group/Art Unit	not yet assigned
Attorney Docket Number	79540

METHOD OF PAYMENT (check one)

1. [ ] The Commissioner is hereby authorized to charge indicated fees and credit any over payments to:

Deposit Account Number: 23-0920

Deposit Account Name: WELSH & KATZ, LTD.

[X] Charge any Additional Fee Required Under 37 CFR. 1.16 and 1.17

2. [X] Payment Enclosed:

[X] Check [ ] Money Order [ ] Other

FEE CALCULATION

1. BASIC FILING FEE

Large Entity Fee Code	Fee ($)	Small Entity Fee Code	Fee ($)	Fee Description	Fee Paid
101	710	201	355	Utility filing fee	355
106	320	206	160	Design filing fee	
107	490	207	245	Plant filing fee	
108	710	208	355	Reissue filing fee	
114	150	214	75	Provisional filing fee	

SUBTOTAL (1) ($) 355

2. EXTRA CLAIM FEES

	Extra Claims		Fee from below		Fee Paid
Total Claims	27	-20**= 7	x	9	= 63
Independent Claims	3	-3** = 0	x	40	= 0
Multiple Dependent Claims				=	

**or number previously paid, if greater; For Reissues, see below

Large Entity Fee Code	Fee ($)	Small Entity Fee Code	Fee ($)	Fee Description
103	18	203	9	Claims in excess of 20
102	80	202	40	Independent claims in excess of 3
104	270	204	135	Multiple dependent claim
109	80	209	40	Reissue independent claims over original patent
110	18	210	9	Reissue claims in excess of 20 and over original patent

SUBTOTAL (2) ($)63

FEE CALCULATION (continued)

3. ADDITIONAL FEES

Large Entity Fee Code	Fee ($)	Small Entity Fee Code	Fee ($)	Fee Description	Fee Paid
105	130	205	65	Surcharge-late filing fee or oath	
127	50	227	25	Surcharge-late provisional filing fee or cover sheet	
139	130	139	130	Non-English Specification	
147	2,520	147	2,520	For filing a request for reexamination	
112	920*	112	920*	Requesting publication of SIR prior to Examiner action	
113	1,840*	113	1,840*	Requesting publication of SIR after Examiner action	
115	110	215	55	Extension for reply within first month	
116	390	216	195	Extension for reply within second month	
117	890	217	445	Extension for reply within third month	
118	1,390	218	695	Extension for reply within fourth month	
128	1,890	228	945	Extension for reply within fifth month	
119	310	219	155	Notice of Appeal	
120	310	220	155	Filing a Brief in support of an appeal	
121	270	221	135	Request for oral hearing	
138	1,510	138	1,510	Petition to institute a public use proceeding	
140	110	240	55	Petition to revive - unavoidable	
141	1,240	241	620	Petition to revive - unintentional	
142	1,240	242	620	Utility issue fee (or reissue)	
143	440	243	220	Design issue fee	
144	600	244	300	Plant issue fee	
122	130	122	130	Petitions to the Commissioner	
123	50	123	50	Petitions related to provisional applications	
126	240	126	240	Submission of Information Disclosure Stmt	
581	40	581	40	Recording each patent assignment per property (times number of properties)	
146	710	246	355	Filing a submission after final rejection (37 CFR § 1.129(a)	
149	710	249	355	For each additional invention to be examined (37 CFR § 1.129(b)	

Other fee (specify) _____

Other fee (specify) _____

*Reduced by Basic Filing Fee Paid **SUBTOTAL (3)** ($) 0

SUBMITTED BY

Name (Print/type)	Jon P. Christensen	Registration No. (Attorney/Agent)	34,137	Telephone	(312) 655-1500
Signature				Date	October 4, 2000

Complete (if applicable)

Applicant or Patentee: __Robert Bernstein_____ Atty Docket No. __4707-79540_____
Serial or Patent No.: _____
Filed or Issued: _____
For: METHOD OF TRACKING TAXABLE EVENTS

VERIFIED STATEMENT (DECLARATION) CLAIMING SMALL ENTITY STATUS
(37 CFR 1.9(f) AND 1.27(b) - INDEPENDENT INVENTOR)

As a below named inventor, I hereby declare that I qualify as an independent inventor as defined in 37 CFR 1.9(c) for purposes of paying reduced fees to the United States Patent and Trademark Office with regard to the invention entitled:

_____

described in:
      (X) the specification filed herewith.
      ( ) application serial no. _____, filed _____.
      ( ) Patent No. _____, issued _____.

I have not assigned, granted, conveyed, or licensed, and am under no obligation under contract or law to assign, grant, convey, or license, any rights in the invention to any person who would not be classified as an independent inventor under 37 CFR 1.9(c) if that person had made the invention, or to any concern which would not qualify as a small business concern under 37 CFR 1.9(d) or a nonprofit organization under 37 CFR 1.9(e).

Each person, concern, or organization to which I have assigned, granted, conveyed, or licensed, or am under an obligation under contract or under law to assign, grant, convey, or license any rights in the invention, is listed below:

      ( ) no such person, concern, or organization.
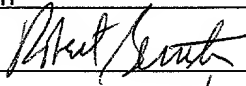   ( ) person, concerns, or organizations listed below.*

      *NOTE: Separate verified statements are required from each named person, concern, or organization having rights to the invention averring to their status as small entities. (37 CFR 1.27)

FULL NAME: Robert Bernstein
ADDRESS: 3229 Wilmette Avenue
Wilmette, Illinois 60091

      (X) INDIVIDUAL   ( ) SMALL BUSINESS CONCERN   ( ) NONPROFIT ORGANIZATION

I acknowledge the duty to file, in this application or patent, notification of any change in status resulting in loss of entitlement to small entity status prior to paying, or at the time of paying, the earliest of the issue fee or any maintenance fee due after the date on which status as a small entity is no longer appropriate. (37 CFR 1.28(b))

I hereby declare that all statements made herein of my own knowledge are true and that all statements made on information and belief are believed to be true; and further that these statements were made with the knowledge that willful false statements and the like so made are punishable by fine or imprisonment, or both, under Section 1001 of Title 18 of the United States Code, and that such willful false statements may jeopardize the validity of the application, any patent issuing thereon, or any patent to which this verified statement is directed.

NAME OF INVENTOR   __Robert Bernstein_____

SIGNATURE OF INVENTOR   _____

DATE   _____9/29/2000_____

METHOD OF TRACKING TAXABLE EVENTS

Field of the Invention

The field of the invention relates to accounting and more particularly to the tracking of taxable events.

Background of the Invention

Methods of tracking taxable events are generally

10 known. Typically, such methods rely upon a merchant to manually summarize the transaction using a pen and paper and to send the summary to an accountant. Often, the summary would lack the name of the buyer and only include a description of the product sold.

15 Such practices have worked in the past because merchants only sold products from a few static locations. Taxes were easy to calculate because it was always clear what taxing body had jurisdiction and what tax rate was applicable.

20 However, as the world has become more mobile, it has become more difficult to track when taxes are due and who is to receive the tax. In the past, when a seller entered the place of business of the buyer and presented cash, it was usually clear what tax law

25 applied.

More recently, as it becomes more common to place orders by phone, fax or the Internet, it becomes much less clear. For example, where a buyer contacts a seller through the Internet and purchases a downloadable

30 product (e.g., software, digital music, etc.), neither party need know the physical location of the other party. In such a case, it becomes impossible to determine what tax is owed and to whom.

As the frequency of such occurrence rise, a greater proportion of tax money is siphoned away from government. To make up for the rise in this type of untraceable transaction, it becomes necessary to tax

5   traceable transactions at a higher rate, thereby reducing the competitiveness of businesses doing face-to-face transactions. Because of the importance of commerce and the taxes generated by commerce, a need exists for a better method of tracing such transactions.

10

Brief Description of the Drawings

FIG. 1 is a block diagram of apparatus for tracking taxable events in accordance with an illustrated embodiment of the invention;

15   FIG. 2 is a screen that may be presented by a website of the system of FIG. 1;

FIG. 3 depicts a summary purchase screen that may be used by the system of FIG. 1;

FIG. 4 depicts a message packet that may be used by

20   the system of FIG. 1; and

FIG. 5 is a block diagram of a third party database used by the system of FIG. 1.

Summary

25   A method and apparatus are provided for tracking taxes due on a transaction. The method includes the steps of transferring a summary of the transaction from a seller of the transaction to a database of a third party and transferring a summary of the transaction from

30   a buyer of the transaction to the database of the third party. The method further includes the steps of identifying a subject matter of the transaction, determining a local of the buyer and the seller to the transaction and calculating a tax due based upon the

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identified subject matter and determined local of the
buyer and seller.

Detailed Description of a Preferred Embodiment

5   FIG. 1 is a block diagram of a system 10, shown
generally, for tracking taxable events in accordance
with an illustrated embodiment of the invention.
Included within the system 10 may be a number of
merchants (sellers) doing business through sellers
10   central processing units (CPUs) 26 (one shown in FIG. 1)
and a number of buyers using CPUs 12, 18. Buyers 12, 18
and sellers 26 may be able to negotiate sales through
the Internet 26 or any other appropriate communications
medium (e.g., telephone, facsimile, a local area network
15   (LAN), a wide area network (WAN), Ethernet, etc.).

Sellers 26 may advertise product using any of a
number of different formats (e.g., mass media
advertising campaigns, mailings, product literature
displayed on a web site, e-mail proposals, etc.). Once
20   a buyer 12, 18 has been apprised of a product, the buyer
12, 18 and seller 26 may negotiate sales terms under
appropriate format (e.g., interactive webpage, e-mail
exchange, telephone, facsimile exchange, etc.).

Similarly, arrangement for payment for purchased
25   product may be made using any appropriate medium (e.g.,
interactive webpage, e-mail, telephone call, etc.) based
upon an open account, credit card, debit card. Payment
may also be made by check or cash.

As a simplified example, a buyer 12, 18 may access
30   a website 34 of the seller 26 using a simple web browser
and be presented with a product selection webpage 50
(FIG. 2). Within the product selection webpage 50 may
be product descriptive information 52, 54 of any of a
number of different products. Included within the

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product descriptive information 52, 54 may be a product description 56, 60 and a price 58, 62.

To make product selection, the buyer 12, 18 upon viewing the product literature through a display 14, 20, may place a cursor 70 over a select button 64, 66 and select one or more products 52, 54. Upon completion of a session, the buyer 12, 18 may place the cursor 70 over a DONE button 68 to complete a purchase.

Upon selecting the DONE button 68, the summary screen 80 of FIG. 3 may be transmitted from the website 34 to the buyer 12, 18 for presentation on the display 14, 20 of the buyer 12, 18. Included within the summary screen 80 may be an entry 82, 84 for each purchase.

Also included on the summary screen 80 may be a request for a mode of payment. To select a mode of payment, the buyer 12, 18 may place the cursor 70 over an entry window 90, 92, 94 and enter a credit card number. Upon entry of a credit card number the buyer 12, 18 may activate a SUBMIT button 96.

Upon activation of the SUBMIT button 96, the summary page 80 may be forwarded to the CPU 26 for processing. The CPU 26 may verify the credit of the buyer 12, 18. Upon satisfying any internal requirements, the CPU 26 may transmit a copy of the webpage 80 back to the buyer 12, 18 with a highlighted PURCHASE ACCEPTED notice 98.

To conform with applicable tax laws both the seller 26 and the buyer 12, 18 transmit summaries of the purchase to a secure database 36. As used herein, a secure database means a database under the control of a third party (e.g., a third party tax auditor, third party database provider, etc.). A secure database may also be a captive database of the seller with security

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features which prevents alteration of data or which provides an audit trail of data which has been altered.

The CPU 26 and CPU 12, 18 receive the information of the summary page 80 and compose a packet message 100 (FIG. 4) for transmission to the database 36. Included within the message 100 may be an Internet protocol (IP) address 102 of the database 36. Also included may be an identifier of the seller (SID) 104. The SID 104 may be any appropriate identifier of the seller (e.g., an IP address, a geographic address with zip code, etc.).

Also included within the packet message 100 may be a buyer's identifier (BID) 106. As with the seller, the BID 106 may be any appropriate identifier of the seller (e.g., an IP address, a geographic address with zip code, etc.).

Finally, the packet message 100 may include a sales price (SP) 108 and product identifier (PID) 110. The sales price may be included for calculation of a sales tax. The PID 110 may be included for purposes of tax multipliers (e.g., on tobacco, liquor, etc.). The PID 106 may be a Universal Product Code (UPC) identifier or any other universally recognized identifier code.

Upon preparation of the message 100, a communication processor 40, 42, 44 transfers the message 100 from the buyers 12, 18 and seller 26 to the third party database 36. Upon receipt by the database 36, the message 100 may be stored in memory 120 or processed immediately.

When processed, the message 100 may be parsed and the components 104, 106, 108, 110 are used for different parts of the tax calculation for the purchase. For example, the PID 110 may be used as a search term for entry into a subject matter (SM) database 122. Within

the SM database 122, the PID 110 may be used to retrieve a tax rate for the subject matter of the purchase.

The BID 106 and SID 104 may be used to access an address database 124 or (where used) a zip code cross reference 132 to identify a local of both buyer and seller. The address database 124 may be used to identify a municipality to identify any applicable tax adders and the dividing lines between taxing entities. The zip code cross-reference may be used for the same purpose, except by starting with a different type of identifier.

Once, the locals of the buyer and seller have been identified and the subject matter of the transaction identified, the information may be transferred to a tax processor 126. Within the tax processor 126 the total tax on the purchase may be determined based upon the transferred information. It is anticipated that in some locals, a tax will be due for both the seller's local and the buyer's local. In other tax areas, the buyer or seller's local may receive the tax. The subject matter of the transaction may affect each calculation.

Once a tax is calculated, the tax due may be, again, stored in memory 120. Periodically, a summary of the tax due may be prepared by a summary processor 130 and forwarded to the seller 26. The summary may be broken down by time period and also based upon the entity to which the tax is due.

While the message 100 transferred from both the seller 26 and buyer 12, 18 to the database 36 may be redundant, the redundancy serves an important purpose by improving the reliability of the system 10. Accordingly, where a first message 100 is located, a CPU 38 of the database 36 automatically searches for its copy. Since Internet packets typically contain both

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source and destination information, the CPU 38 may use the presence of any unmatched message 100 as an indication of a malfunction within a CPU of a second party to the transaction.

5   Where the source information of the packet 100 matches the BID 106, the CPU 38 may determine simply generate a malfunction message for handling by others. However, when the source information of the packet 100 matches that of the SID 104, this could be the

10   indication of a malfunction in the CPU 26 of the seller or an indication that the seller is attempting to commit fraud. Based upon this information, appropriate measures may be taken.

In another illustrated embodiment of the system 10,

15   the transaction may be consummated by methods other than a web browser and the Internet (e.g., by telephone, facsimile, e-mail, etc.). For example, a purchase may be completed by telephone or by e-mail without the formal screens of the website 34. In those cases, the

20   CPUs of the buyer 12, 18 and seller 26 may be manually triggered to provide the screen 80. Information regarding the purchase may be entered. The SUBMIT button 96 in this case trigger the CPU 12, 18, 26 to compose the packet 100. The packet 100 may then be

25   transferred to the database 36 and the process may be repeated as above.

The use of the database 36 has important implications for both buyer and seller. For buyers, the database may be used as a convenient source of

30   information on purchases for tax purposes. It may also be used for detecting credit card fraud.

For example, duplicate charges from the same seller may be regarded as evidence of fraud. The tracing of charging patterns by time of day, geographic area or

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account number may provide further evidence. The detection of charges on a single account, closely related in time from geographically diverse locations may provide other evidence.

5   Sellers benefit from the convenience of a single source for tax payment information. Tax audits may become less necessary because of the additional reliability provided by cross-checked buyer and seller messages.

10   The third party database 36 may cover expenses by imposing a nominal charge on each seller 26. Further revenue may be derived from the vast quantities of consumer buying information generated and which may then be sold under certain conditions to marketing

15   organizations.

A specific embodiment of a method and apparatus for tracking taxable events according to the present invention has been described for the purpose of illustrating the manner in which the invention is made

20   and used. It should be understood that the implementation of other variations and modifications of the invention and its various aspects will be apparent to one skilled in the art, and that the invention is not limited by the specific embodiments described.

25   Therefore, it is contemplated to cover the present invention and any and all modifications, variations, or equivalents that fall within the true spirit and scope of the basic underlying principles disclosed and claimed herein.

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<u>Claims</u>

1. A method of tracking taxes due on a transaction comprising the steps of:

transferring a summary of the transaction from a seller of the transaction to a secure database;

transferring a summary of the transaction from a buyer of the transaction to the secure database;

identifying a subject matter of the transaction;

determining a local of the buyer and the seller to the transaction; and

calculating a tax due based upon the identified subject matter and determined local of the buyer and seller.

2. The method of tracking taxes as in claim 1 wherein the step of transferring the summary further comprises coupling the summary to the third party through an Internet connection.

3. The method of tracking taxes as in claim 1 further comprising including an identifier of the buyer and seller in the summary transferred from the buyer.

4. The method of tracking taxes as in claim 3 further comprising including an identifier of the buyer and seller in the summary transferred from the seller.

5. The method of tracking taxes as in claim 4 further comprising correlating the summary transferred from the buyer with the summary transferred from the seller.

6. The method of tracking taxes as in claim 1 further comprising including a zip code of the seller in the summary transferred from the seller.

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7. The method of tracking taxes as in claim 6 further comprising including a zip code of the buyer in the summary transferred from the buyer.

5 8. The method of tracking taxes as in claim 7 wherein the step of determining a local and the seller further comprises correlating the zip code of the buyer and the zip code of the seller to respective locals through a look-up table.

10

9. The method of tracking taxes as in claim 1 further comprising forwarding from the third party to the seller a quarterly summary of calculated taxes due from the seller.

15

10. An apparatus for tracking taxes due on a transaction, such apparatus comprising:

means for transferring a summary of the transaction from a seller of the transaction to a database of a

20 third party;

means for transferring a summary of the transaction from a buyer of the transaction to the database of the third party;

means for identifying a subject matter of the

25 transaction;

means for determining a local of the buyer and the seller to the transaction; and

means for calculating a tax due based upon the identified subject matter and determined local of the

30 buyer and seller.

11. The apparatus for tracking taxes as in claim 10 wherein the means for transferring the summary further

comprises means for coupling the summary to the third
party through an Internet connection.

12. The apparatus for tracking taxes as in claim 10
further comprising means for including an identifier of
the buyer and seller in the summary transferred from the
buyer.

13. The apparatus for tracking taxes as in claim 12
further comprising means for including an identifier of
the buyer and seller in the summary transferred from the
seller.

14. The apparatus for tracking taxes as in claim 13
further comprising means for correlating the summary
transferred from the buyer with the summary transferred
from the seller.

15. The apparatus for tracking taxes as in claim 10
further comprising means for including a zip code of the
seller in the summary transferred from the seller.

16. The apparatus for tracking taxes as in claim 15
further comprising means for including a zip code of the
buyer in the summary transferred from the buyer.

17. The apparatus for tracking taxes as in claim 16
wherein the means for determining a local of the buyer
and the seller further comprises means for correlating
the zip code of the buyer and the zip code of the seller
to respective locals through a look-up table.

18. The apparatus for tracking taxes as in claim 10
further comprising means for forwarding from the third

party to the seller a quarterly summary of calculated taxes due from the seller.

19.   An apparatus for tracking taxes due on a
5   transaction, such apparatus comprising:
       a seller communication processor adapted to transfer a summary of the transaction from a seller of the transaction to a database of a third party;
       a buyer communication processor adapted to transfer
10   a summary of the transaction from a buyer of the transaction to the database of the third party;
       a subject matter database adapted to identify a subject matter of the transaction;
       an address database adapted to determine a local of
15   the buyer and the seller to the transaction; and
       a tax processor adapted to calculate a tax due based upon the identified subject matter and determined local of the buyer and seller.
20.   The apparatus for tracking taxes as in claim 19
20   wherein the buyer and seller communication processor further comprise an Internet connection.

21.   The apparatus for tracking taxes as in claim 19 further comprising a buyer transmission summary format
25   adapted to include an identifier of the buyer and seller in the summary transferred from the buyer.

22.   The apparatus for tracking taxes as in claim 21 further comprising seller transmission summary format
30   adapted to include an identifier of the buyer and seller in the summary transferred from the seller.

23.   The apparatus for tracking taxes as in claim 22
 further comprising a correlation processor adapted to

12

correlate the summary transferred from the buyer with the summary transferred from the seller.

24. The apparatus for tracking taxes as in claim 21 wherein the seller transmission summary format further comprises a zip code of the seller.

25. The apparatus for tracking taxes as in claim 22 wherein the buyer transmission summary format further comprising a zip code of the buyer.

26. The apparatus for tracking taxes as in claim 25 wherein the address database further comprises a zip code cross reference adapted to correlate the zip code of the buyer and the zip code of the seller to respective locals.

27. The apparatus for tracking taxes as in claim 10 further comprising a summary processor adapted to forward from the third party to the seller a quarterly summary of calculated taxes due from the seller.

Abstract

A method and apparatus are provided for tracking
taxes due on a transaction. The method includes the
steps of transferring a summary of the transaction from
5   a seller of the transaction to a database of a third
party and transferring a summary of the transaction from
a buyer of the transaction to the database of the third
party. The method further includes the steps of
identifying a subject matter of the transaction,
10   determining a local of the buyer and the seller to the
transaction and calculating a tax due based upon the
identified subject matter and determined local of the
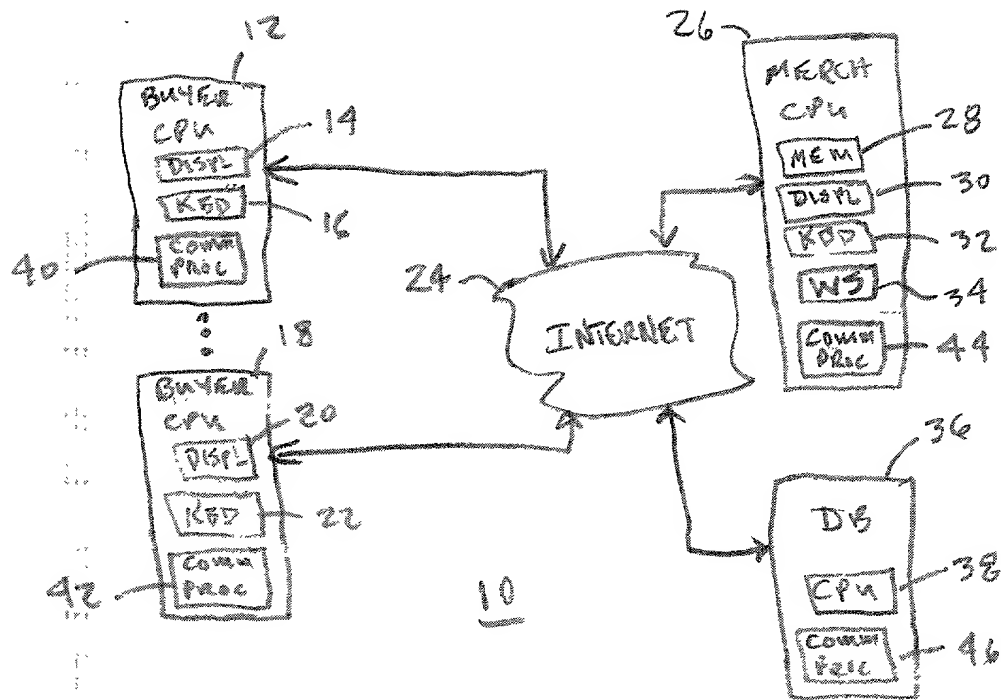buyer and seller.

FIG.1

52

PROD #1   56

DISCR   [   ]

PRICE   [   ]

58   64   [SELECT]

70

54

PROD #N

DISCR   60

PRICE   [   ]

[   ]

62   66   [SELECT]

68   [DONE]

50

FIG. 2

82 → PURCH #1 [aaa] PRICE [bbb]

84 → PURCH #N [ccc] PRICE [ddd]

TOTAL [ecc] 86

88 → SELECT MODE OF PAYMENT

MC _____ 90

VISA _____ 92

OPEN ACCT# _____ 94

98 → PURCHASE ACCEPTED

96 → SUBMIT

80

FIG. 3

104   108
106   110

| IPID | SID | BID | SP | PID |

102

100

FIG. 4

120 — MEMORY

122 — Sun Database

124 — ADD Database

126 — Tap Proc
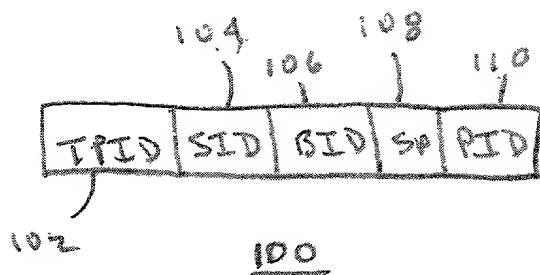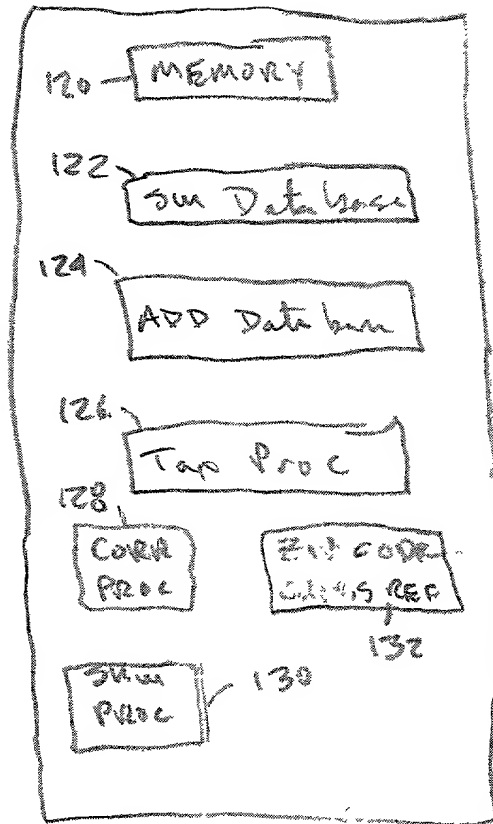
128 — Corn Proc

Encoder Class Ref
132

Status Proc — 130

36

FIG. 5

DECLARATION AND POWER OF ATTORNEY

As a below named inventor, I hereby declare:

That my residence, post office address and citizenship are as stated below next to my name.

That I verily believe I am the original, first and sole inventor (if only one name is listed below) or an original, first and joint inventor (if plural inventors are named below) of the subject matter which is claimed and for which a patent is sought on the invention entitled:

METHOD OF TRACKING TAXABLE EVENTS

That I have reviewed and understand the contents of the above-identified specification, including the claims, as amended by any amendment referred to above.

That I acknowledge the duty to disclose information to be material to patentability of this application in accordance with Title 37, Code of Federal Regulations, §1.56(a).

That I hereby claim foreign priority benefits under Title 35, United States Code, §119 of any foreign application(s) for patent or inventor's certificate listed below and have also identified below any foreign application for patent or inventor's certificate on this invention having a filing date before that of the application on which priority is claimed.

Prior Foreign Application(s)   None

I hereby claim the benefit under 35 U.S.C. § 119(e) of any United States provisional application(s) listed below.

_____   _____
(Application Number)   (Filing Date)

_____   _____
(Application Number)   (Filing Date)

That I hereby claim the benefit under Title 35, United States Code, §120 of any United States application(s) listed below and, insofar as the subject matter of each of the claims of this application is not disclosed in the prior United States application in the manner provided by the first paragraph of Title 35, United States Code, §112, I acknowledge the duty to disclose material information as defined in Title 37, Code of Federal Regulations, §1.56(a) which occurred between the filing date of the prior application and the national or PCT international filing date of this application:

United States Application(s)

_____   _____   _____
(Application Serial No.)   (Filing Date)   (Status)-(Patented, pending, abandoned)

_____   _____   _____
(Application Serial No.)   (Filing Date)   (Status)-(Patented, pending, abandoned)
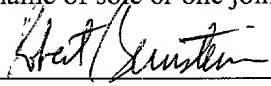
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That all statements made herein of my own knowledge are true and that all statements made on information and belief are believed to be true; and further that these statements were made with the knowledge that willful false statements and the like so made are punishable by fine or imprisonment, or both, under Section 1001 of Title 18 of the United States Code and that such willful false statements may jeopardize the validity of the application or any patent issuing thereon.

I hereby appoint the following attorneys, with full power of substitution and revocation, to prosecute this application and to transact all business in the United States Patent and Trademark Office connected therewith and request that all correspondence and telephone calls in respect to this application be directed to WELSH & KATZ, LTD., 120 South Riverside Plaza, 22nd Floor, Chicago, Illinois 60606, Telephone No. (312) 655-1500.

Attorney	Registration No.
A. Sidney Katz	24,003
Richard L. Wood	22,839
Jerold B. Schnayer	28,903
Eric C. Cohen	27,429
Joseph R. Marcus	25,060
Gerald S. Schur	22,053
Gerald T. Shekleton	27,466
James A. Scheer	29,434
Daniel R. Cherry	29,054
Edward P. Gamson	29,381
Kathleen A. Rheintgen	34,044
Thomas W. Tolpin	27,600
Eric D. Cohen	38,110
Jon P. Christensen	34,137
Walter J. Kawula, Jr.	39,724
Leonard Friedman	37,135
Ik Hyun Seo	40,165
Philip D. Segrest	39,021
Jeffrey W. Salmon	37,435
Mitchell J. Weinstein	37,963
Indira Saladi	45,759
Daniel N. Yannuzzi	36,727
James K. Dawson	41,701
Kelly H. Hale	36,542
Robert P. Hart	35,184
Keith Kind	42,735
Semion Talpalatsky	35,380

Full name of sole or one joint inventor: ROBERT BERNSTEIN

_____
Inventor's signature

September   , 2000_____
Date

Residence and Post Office Address:

3229 Wilmette Avenue_____
Wilmette, Illinois 60091_____
_____

Citizenship:

United States_____

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